

NIH POLICY MANUAL

54502 - NOTIFICATION TO UNSUCCESSFUL APPLICANTS AND INACTIVATION OF FAVORABLY RECOMMENDED BUT UNFUNDED APPLICATIONS

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A. Purpose:

This chapter states NIH policy for notifying unsuccessful grant and cooperative agreement (CA) applicants and for administratively inactivating favorably recommended but unfunded applications. It implements for NIH those portions of PHS Grants Administration Manual, Part 118, dealing with notification to unsuccessful applicants, and supersedes NIH Manual 4502 dated January 1, 1981. This policy applies to all grant and CA applications recommended for disapproval by the appropriate advisory group, and those recommended for approval but for which funding is not available.

B. Background:

NIH policy limits the time that grant applications may be kept in a competitive status when recommended for approval but remaining unfunded. Institute or Division (ID) action is required to inactivate applications whose priority score is poorer than an annually determined level. I&I Memoranda OERT 85-6 and 86-8 authorized IDs to reactivate and pay original applications after initial review group (IRG) review of amended applications, without approval of the Associate Director for Extramural Affairs (ADEA), NIH.

C. Definitions:

1. Disapproved applications - grant and CA applications for which the appropriate advisory group recommended disapproval.
2. Deferred applications - applications for which the review has been formally postponed to a subsequent cycle.
3. Applications recommended for approval, but unfunded - applications recommended for approval by the appropriate advisory group, but for which funds are not currently available.
4. Appropriate advisory group - scientific/technical IRG for research and training

applications under \$50,000 direct costs for each year, and for fellowship applications; National Advisory Council/Board required for applications over \$50,000 direct costs for each year.

D. References:

1. PHS Grants Administration Manual Part 118, Ranking, Approval, and Funding of Grant Applications and Notification to Unsuccessful Applicants
2. NIH Manual Issuance [4515](#), Guidelines for Dually Assigned Grant Applications

E. Policy:

1. Each applicant shall be notified in writing within 30 days following appropriate advisory group meetings, of recommendations to disapprove or to defer an application for future review (see C.4.). BIDs will send to each applicant principal investigator or program director the summary statement(s) from advisory group reviews of their applications.
2. Applications recommended for approval, that are not awarded in the first fiscal year in which they compete for funds and are not administratively inactivated during that period, may be carried over to a second fiscal year **ONLY** if they are being actively considered for funding, the second fiscal year budget offers some promise that funding may be possible, and the carryover action receives necessary concurrence. (See F.3.)

In July each year, after consultation with the Extramural Program Management Committee, the ADEA will notify the BIDs of the priority score cut-off level established for that fiscal year. As a minimum, no application with a priority score poorer than the published level shall be carried forward to the succeeding fiscal year. Exceptions may be approved for individual and specific applications, or classes of applications, identified by staff and justified as being of particular program interest.

For those applications carried over, final decisions as to whether to make awards will be made as early as possible in the second fiscal year, but only in rare cases later than March 31 of that year. (This specific time-limited provision does not apply to training or construction grants.)

3. Upon receiving an amendment to an existing application, DRG will immediately inactivate the original application via the Resume of Transactions (ROT).
4. The BID program staff may reactivate and fund the original application at any time up to the date of the initial review group meeting at which the amended application is to be reviewed.
5. To reactivate or fund any application after the IRG meeting at which an

amended version of that application is reviewed, or to reactivate any application after March 31 of the second year, prior written approval must be obtained from the BID Director or designee(s).

6. When an application has been dually assigned, policy and procedures in NIH Manual [4515](#), Guidelines for Dually Assigned Grant Applications, take effect. If neither the primary nor secondary assignee can make the award within the specified time, the primary assignee will notify the applicant of the administrative inactivation.

F. Implementation:

When an application has been recommended for approval but remains unfunded because sufficient funds are not currently available, the applicant will be notified that the application is being held for that reason. The notifying letter will be issued in the shortest period of time, and in all cases less than 60 days following the appropriate advisory group meeting. Care shall be taken to avoid giving applicants a false sense that a commitment is being made, thereby raising expectations unjustifiably. These letters will indicate the period of time during which each application will be held for further consideration for funding, by noting the date upon which it will be inactivated. The inactivation date will be no later than September 30 for applications with priority scores poorer than the fiscal year's determined priority score cut-off, or, as an approved exception, March 31 of the second fiscal year in which the application competes for funding. Awarding units will use one of the following procedures for notifications regarding inactivation of approved-unfunded applications:

1. For applications to be administratively inactivated immediately after IRG or Council/Board review:
 - (a) a letter will be sent to the applicant institution giving notice of the inactivation;
 - (b) a copy of the letter will be sent to the Executive Secretary of the IRG responsible for review of the application; and
 - (c) concurrent with the above, Form NIH 901-1, Grant/Application Change Notice, will be prepared and sent to the Systems and Data Management Section, SAB, DRG. This notifies the DRG IMPAC system that the application is no longer pending. The Change Notice will also be the basis for including the action on the Resume of Transactions (ROT).
 - (d) If preferred, a copy of Form NIH 901-1 may be sent to the Executive Secretary in lieu of the letter specified in (b) above.
2. For applications to be held for consideration up to September 30:
 - (a) a notifying letter, indicating the specific date on which the application will be inactivated, will be sent to the applicant institution immediately following

appropriate advisory group review, with a copy to the Executive Secretary of the IRG;

(b) if the date of inactivation stated in the notifying letter is prior to September 30, the awarding unit will prepare Form NIH 901-1 and send it to the SAB, DRG before the inactivation date (see F.1.(c) above.); and

(c) in September, the SAB, DRG, will provide each BID with a computer-prepared list of all applications subject to inactivation on September 30, i.e., all approved-unfunded applications with a priority score poorer than the published level for that fiscal year.

(d) Exceptions may be made for individual applications, or classes of applications, identified and justified by BID staff as being of particular program interest and meeting the conditions cited under E.2. Those exceptions should be indicated on the computer list, sent with the appropriate justification to the ADEA for concurrence, and returned to SAB before September 30. Those not so reported to SAB will be automatically inactivated in the IMPAC system on October 1.

3. For applications to be held for consideration until March 31 of the second fiscal year:

(a) a notifying letter indicating the March 31 inactivation date, or in the case of those applications originally scheduled for inactivation on September 30, an extension of the inactivation date to March 31, will be sent by the BID to the applicant institution, with a copy to the Executive Secretary of the IRG; and

(b) in March, the SAB, DRG, will provide each BID with a computer-prepared list of all applications subject to inactivation on March 31.

(c) If BIDs wish to delay the inactivation of an individual application beyond March 31, they must so indicate on the computer list, send the list to the ADEA for review and concurrence, and return the list to SAB before March 31. Those not so reported to SAB will be automatically inactivated in the IMPAC system on April 1.

4. If, for some unusual circumstance, it is necessary that the awarding unit reactivate an application which has been previously inactivated (See E.5., above) approval must first be obtained from the BID Director or designee. Form NIH 901-1 will be prepared by the awarding unit, after receiving the approval to reactivate an approved-unfunded application, and sent to the Systems and Data Management Section, SAB, DRG.

G. Effective Date:

This policy is effective on date of release.

H. Additional Information:

For further information on this manual chapter, contact the Extramural Programs Management Office, OERT, Shannon Building, Room 314, telephone 496-2241.

I. Additional Copies:

For extra copies of this chapter, complete Form NIH 414-5 and send it to the Printing and Reproduction Branch, DTS, Building 31, Room B3BE07.
